

House Bill 195

By: Representatives Golick of the 34<sup>th</sup>, O'Neal of the 146<sup>th</sup>, Cole of the 125<sup>th</sup>, Smith of the 129<sup>th</sup>, Dempsey of the 13<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and  
2 taxation, so as to amend the amounts of retirement income excludable from Georgia taxable  
3 net income; to provide for an effective date; to repeal conflicting laws; and for other  
4 purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
8 amended by revising paragraph (5) of subsection (a) of Code Section 48-7-27, relating to  
9 computation of taxable net income, as follows:

10 "(5)(A) Retirement income otherwise included in Georgia taxable net income not to  
11 exceed the exclusion ~~amount~~ amounts as follows:

12 (i) For taxable years beginning on or after January 1, 1989, and prior to January 1,  
13 1990, retirement income not to exceed an exclusion amount of \$8,000.00 per year  
14 received from any source;

15 (ii) For taxable years beginning on or after January 1, 1990, and prior to January 1,  
16 1994, retirement income not to exceed an exclusion amount of \$10,000.00 per year  
17 received from any source;

18 (iii) For taxable years beginning on or after January 1, 1994, and prior to January 1,  
19 1995, retirement income from any source not to exceed an exclusion amount of  
20 \$11,000.00;

21 (iv) For taxable years beginning on or after January 1, 1995, and prior to January 1,  
22 1999, retirement income from any source not to exceed an exclusion amount of  
23 \$12,000.00;

24 (v) For taxable years beginning on or after January 1, 1999, and prior to January 1,  
25 2000, retirement income from any source not to exceed an exclusion amount of  
26 \$13,000.00;

(vi) For taxable years beginning on or after January 1, 2000, and prior to January 1, 2001, retirement income not to exceed an exclusion amount of \$13,500.00 per year received from any source;

(vii) For taxable years beginning on or after January 1, 2001, and prior to January 1, 2002, retirement income from any source not to exceed an exclusion amount of \$14,000.00;

(viii) For taxable years beginning on or after January 1, 2002, and prior to January 1, 2003, retirement income from any source not to exceed an exclusion amount of \$14,500.00;

(ix) For taxable years beginning on or after January 1, 2003, and prior to January 1, 2006, retirement income from any source not to exceed an exclusion amount of \$15,000.00;

(x) For taxable years beginning on or after January 1, 2006, and prior to January 1, 2007, retirement income from any source not to exceed an exclusion amount of \$25,000.00;

(xi) For taxable years beginning on or after January 1, 2007, and prior to January 1, 2008, retirement income from any source not to exceed an exclusion amount of \$30,000.00; ~~and~~

(xii) For taxable years beginning on or after January 1, 2008, and prior to January 1, 2009, retirement income from any source not to exceed an exclusion amount of \$35,000.00;

(xiii) For taxable years beginning on or after January 1, 2009, retirement income from any source not to exceed an exclusion amount of \$35,000.00 for each taxpayer meeting the eligibility requirement set forth in division (i) or (ii) of subparagraph (D) of this paragraph or an amount of \$65,000.00 for each taxpayer meeting the eligibility requirement set forth in division (iii) of subparagraph (D) of this paragraph;

(xiv) For taxable years beginning on or after January 1, 2010, retirement income from any source not to exceed an exclusion amount of \$35,000.00 for each taxpayer meeting the eligibility requirement set forth in division (i) or (ii) of subparagraph (D) of this paragraph or an amount of \$100,000.00 for each taxpayer meeting the eligibility requirement set forth in division (iii) of subparagraph (D) of this paragraph;

(xv) For taxable years beginning on or after January 1, 2011, retirement income from any source not to exceed an exclusion amount of \$35,000.00 for each taxpayer meeting the eligibility requirement set forth in division (i) or (ii) of subparagraph (D) of this paragraph or an amount of \$150,000.00 for each taxpayer meeting the eligibility requirement set forth in division (iii) of subparagraph (D) of this paragraph;

(xvi) For taxable years beginning on or after January 1, 2012, retirement income from any source not to exceed an exclusion amount of \$35,000.00 for each taxpayer meeting the eligibility requirement set forth in division (i) or (ii) of subparagraph (D) of this paragraph or an amount of \$200,000.00 for each taxpayer meeting the eligibility requirement set forth in division (iii) of subparagraph (D) of this paragraph: and

(xvii) For taxable years beginning on or after January 1, 2013, retirement income from any source not to exceed an exclusion amount of \$35,000.00 for each taxpayer meeting the eligibility requirement set forth in division (i) or (ii) of subparagraph (D) of this paragraph or retirement income from any source for each taxpayer meeting the eligibility requirement set forth in division (iii) of subparagraph (D) of this paragraph.

(B) In the case of a married couple filing jointly, each spouse shall if otherwise qualified be individually entitled to exclude retirement income received by that spouse up to the exclusion amount, ~~so that the total amount excluded on such joint return may if otherwise allowable be up to twice the individual exclusion amount.~~

(C) The ~~exclusion~~ exclusions provided for in this paragraph shall not apply to or affect and shall be in addition to those adjustments to net income provided for under any other paragraph of this subsection.

(D) A taxpayer shall be eligible for the ~~exclusion~~ exclusions granted by this paragraph only if the taxpayer:

(i) Is 62 years of age or older but less than 65 years of age during any part of the taxable year; ~~or~~

(ii) Is permanently and totally disabled in that the taxpayer has a medically demonstrable disability which is permanent and which renders the taxpayer incapable of performing any gainful occupation within the taxpayer's competence; or

(iii) Is 65 years of age or older during any part of the taxable year.

(E) For the purposes of this paragraph, retirement income shall include but not be limited to interest income, dividend income, net income from rental property, capital gains income, income from royalties, income from pensions and annuities, and no more than \$4,000.00 of an individual's earned income. Earned income in excess of \$4,000.00, including but not limited to net business income earned by an individual from any trade or business carried on by such individual, wages, salaries, tips, and other employer compensation, shall not be regarded as retirement income. The receipt of earned income shall not diminish any taxpayer's eligibility for the retirement income ~~exclusion~~ exclusions allowed by this paragraph except to the extent of the express limitation provided in this subparagraph.

1 (F) The commissioner shall by regulation require proof of the eligibility of the taxpayer  
2 for the ~~exclusion~~ exclusions allowed by this paragraph.

3 (G) The commissioner shall by regulation provide that for taxable years beginning on  
4 or after January 1, 1989, and ending before October 1, 1990, penalty and interest may  
5 be waived or reduced for any taxpayer whose estimated tax payments and tax  
6 withholdings are less than 70 percent of such taxpayer's Georgia income tax liability  
7 if the commissioner determines that such underpayment or deficiency is due to an  
8 increase in net taxable income attributable directly to amendments to this paragraph or  
9 paragraph (4) of this subsection enacted at the 1989 special session of the General  
10 Assembly and not due to willful neglect or fraud;"

11 **SECTION 2.**

12 This Act shall become effective upon its approval by the Governor or upon its becoming law  
13 without such approval.

14 **SECTION 3.**

15 All laws and parts of laws in conflict with this Act are repealed.